

Nobody Knows Who Owns The Federal Reserve

BY C. V. MYERS

On the Merv Griffin Show, taped May 7th, Merv Griffin asked Elliott Janeway, nationally known economist, "Who owns the Federal Reserve?" Janeway replied. "The banks own the Federal Reserve." I was floored to hear this answer from a nationally known figure who is regarded by a large mass of the public as standing near the epitome of knowledge of monetary affairs. The Federal Reserve issues all of the money of the United States—and if Janeway is under the impression that the banks own the Federal Reserve—what can be expected of the general public? Although Myers' Finance & Energy had been all through this with its readers in 1969 and 1970, the shocking ignorance on the part of a leading economist forces me to bring this subject back into the open again.

THE BANKS do not own the Federal Reserve—although it has been long implied that they do.

A textbook, *Money and Banking*, says the member banks own the twelve Federal Reserve Banks, but McChesney Martin—Chairman of the Fed—in response to a question by Chairman Patman of the Banking Committee said in 1956, "The banks do not own the Federal Reserve System."

The stock that the banks hold carries no proprietary interest—and it carries no vote. Banks neither own nor control the Federal Reserve.

The Government does not own the Federal Reserve. In 1962, Chairman of the Joint Economic Committee, Representa-

tive Wright Patman, asked Mr. Eccles, Chairman of the Federal Reserve, if it were not a fact that the Federal Reserve had more power than either Congress or the President. Mr. Eccles replied: "In the field of money and credit—yes."

If the Fed has more power than the government—then surely the government does not own the Federal Reserve.

The government pays interest to the Federal Reserve on all the money it borrows from the Fed. The Fed issues the money in the name of the people of the United States as the guarantor. The government collects interest from the taxpayers and pays it to the Federal Reserve.

The Fed creates the money. The Fed orders the Treasury to print the bills.

Neither the government nor the people control the Federal Reserve. The act which created the Federal Reserve was passed in 1913. In 1916, Woodrow Wilson, recognizing his mistake in supporting the creation of the Fed, said this: "A great industrial nation is controlled by its system

THE AUTHOR

C. V. Myers is editor of the authoritative *Myers' Finance & Energy* newsletter in which the above article first appeared. (P.O. Box 5531, Station A, Calgary, Alberta, Canada T2H 1X9, \$162.00 a year.)

of credit. Our system of credit is concentrated. The growth of the nation, therefore, and all our activities are in the hands of a few men."

OWNERSHIP OF THE FEDERAL RESERVE HAS NEVER CHANGED. The Federal Reserve System was created by a group of international bankers at Jekyll Island in a highly secret meeting on the estate of J. P. Morgan, travelling there in a secret train, laying the groundwork for the Federal Reserve Act, which was pushed through the night before Christmas when most Congressmen had gone home.

The ownership of the Federal Reserve has never changed—or at least there has been no notice of its change—and the ownership has never been revealed.

Many have charged that the Federal Reserve is owned by a group of bankers, including the House of Morgan, the Rockefellers, Goldman Sachs, Kuhn Loeb & Co., Lehman Brothers and others.

Obviously someone of *enormous* power owns the Federal Reserve, issues fiat money on the real property of the citizens of the U.S.

So nobody knows who really controls the Federal Reserve. We do know that the people do not control it—and the Congress does not control it.

Canada's revered Prime Minister, the late MacKenzie King, once an employee of Rockefeller's, said this in 1934: *"Until the control of the issue of currency and credit is restored to government, and recognized as its most conspicuous and sacred responsibility, all talk of the SOVEREIGNTY of Parliament and of Democracy is idle and futile."* (Speaking of Canada)

The upshot of all this is that while we know who does *not* own and control the Federal Reserve, we have not been able to find out in six decades who *does* own the Federal Reserve. I defy you to find out, because to date Congressman Patman couldn't find out; the whole Senate couldn't find out; Congressman McFadden and all of Congress couldn't find out; and if the President of the United States ever knew—he wouldn't tell. At least no president has ever told.

NO PUBLIC AUDIT OF THE FEDERAL RESERVE HAS EVER BEEN ALLOWED.

The Fed has the power to overrule the elected representative of all of the *PEOPLE* of the U.S. on anything to do with money or credit.

Congressman Patman said this:

"The members of Congress have terrific pressure from the banking lobby that will profit so handsomely from this give-away; and John Kenan, author of the book The Federal Reserve Bank states that the Federal Reserve controls Congress, and the financial interests have been able to control the nomination conventions of both parties, and that the president has become much like any unelected monarch—a ceremonial office under the power of the Fed."

The Fed is Illegal and Unconstitutional

Although the Fed was created by an Act of Congress, that does not make it legal if it flies in the face of the Constitution. See 16 AM JUR 2D Constitutional law Sections 177 through 179: "An Act of Congress in violation of the Constitution confers no rights or privileges."

Also see 16 AM JUR 20 No. 177—"The construction of a statute which brings it in conflict with the Constitution will nullify it . . . though having the form and name of a law, it is in reality no law, but wholly void." Such a statute "imposes no duties, confers no rights . . . bestows no power or authority on anyone, affords no protection and justifies no acts performed under it. Insofar as a statute runs counter to the fundamental law of the land it is superseded thereby."

The Constitution of the United States *Article I—Section 10* states "No state shall make any Thing but gold and silver coin a tender in payment of debts." The Minnesota Constitution (and many state constitutions) forbid fiat money. Minnesota *Article 9 Section 13*: "The legislature has power to pass any law sanctioning in any manner, directly or indirectly, suspending 'specie' payments by any person, association, or corporation issuing bank notes of any description."

Nowhere does the Constitution give the federal government the right to issue fiat money. The Constitution also forbids this federal government to use any right which has not been specifically given. Any such right must go to the states or the people. But the Constitution expressly forbids the states from issuing fiat money.

There is no question that the Federal Reserve System of the United States is completely in defiance of the Constitution of the United States—and is, therefore, illegal—void—and without the force of law—and that the fiat money, therefore, while it continues to circulate, is completely illegal—and is, therefore, a fraud.

It is for this reason that the United States and the whole world today find themselves in the grips of a crippling inflation, which is now strangling the life out of the economies of western civilization.

U.S. Constitution Article 6: "This Constitution and the laws of the United States which shall be made in pursuance thereof . . . shall be the supreme law of the land, and judges in each state shall be bound thereby . . ."

* * * * *

The European bankers had obtained control of the money systems in Germany, France and England, and in the middle nineteenth century decided to control the money of the United States. Fighting Abraham Lincoln they succeeded in passage of the temporary Banking Act of 1863. The *Rothschild Brothers* wrote a letter illuminating the philosophy of billionaire bankers which exists to this very day. The letter, June 23, 1863 stated as follows:

"It (this Act) gives the National Bank almost complete control of national finance. The few who understand the system will either be so interested in its profits, or so dependent on its favours, that there will be no opposition from that class . . . The great body of the people, mentally incapable of comprehending, will bear its burden without complaint, and perhaps *without*

AN AGENCY?

The Fed is not an agency of the government. McChesney Martin, Chairman of the Fed, stated ambiguously before a Congressional Committee that the Fed was an agency of the United States government. Yet, Chairman Marriner Eccles had previously stated that the Fed had more power in matters of money and credit than the federal government or the president. *Some agency*—where the agency has more power than its controller or owner. Obviously Marriner Eccles' statement plainly said: *The Federal Reserve is not an agency of the federal government.*

The fact is the Federal Reserve System is not federal. It is not a reserve. And it is not a system. *The whole name is a lie.*

They will not submit to an audit, and they will not tell you who owns them.

There is an iron curtain around the Federal Reserve, stronger and more forbidding than the iron curtain created after World War II by *Joseph Stalin*.

The first chairman of the Federal Reserve was Paul Warburg of the Kuhn Loeb banking firm of Germany, a German citizen. While he ran the Federal Reserve System of the United States, and financed the first World War in America, his brother financed the first World War in Germany.

even suspecting that the system is inimical to their interests" (italics are mine).

But Abraham Lincoln was not finished with them. The enduring battle of his political life was with bankers. Just before his second term he said: "I see in the near future a crisis approaching that causes me to tremble for the safety of my country: an era of corruption in high places will follow until the Republic is destroyed." Upon election Lincoln launched a campaign for a fight to the death with the bankers. Alas, his death came first.

Among the effects of John Wilkes Booth was found a "message." The key

and only link to that coded message was found in the possession of Judah P. Benjamin—who was the chief agent for the Rothschilds in North America.

You Doubt the Illegality of the Fed?

Listen to this.

Republican National Platform—1932, “We will restore to the Congress the authority lodged with it by the Constitution to coin all money and regulate the value thereof.” (Surely this is tantamount to a statement that the Fed is illegal.)

Republican Platform—1936, “We will restore to the Congress the authority lodged with it by the Constitution to coin money and regulate the value thereof.”

William Randolph Hearst—“No person can get elected to that high office of president without first agreeing to do everything the powers tell him to do.”

Mayor John F. Hyland of New York—“The real menace of our Republic is the invisible government which, like a great octopus, spreads its slimy links over the city, state and nation. And at the head of this octopus is the small group of banking houses, generally referred to as the international bankers.”

President Woodrow Wilson—(After breaking with the engineers of the Fed Act, and near his death), “I am a most unhappy man; unwittingly I have ruined my country.”

Henry Ford—“If the people of this country knew how their money was being handled—there would be a revolution tomorrow morning.”

Andrew Jackson—“If Congress has a right under the Constitution to issue paper money, it was given them to be used by themselves, not to be delegated to individuals or corporations.”

Notice that Jackson uses the big *IF*, because he was not sure that the Constitution allowed the issue of any paper money. But *if it did*, then the paper money would be issued by the Congress—not by an agency to which the Congress abdicated the power given to it in the Constitu-

ARTICLE I SECTION 10 (A closer examination of Article I)

“No State shall enter into any Treaty, Alliance, or Confederation; grant Letters of Marque and Reprisal; coin Money; emit Bills of Credit; make any Thing but gold and silver Coin a Tender in Payment of Debts; pass any Bill of Attainder, ex post facto Law, or Law impairing the Obligation of Contracts or grant any Title of Nobility.”

So there you have it. If a state can make any Thing but gold and silver Coin a Tender in Payment of Debts, then it follows as night follows day, that Illinois can make a treaty with Canada, Texas can enter into confederation with Mexico, and New York can have a king.

Conversely if New York State cannot create nobility, and if Texas cannot join Mexico, then Federal Reserve notes are not money—*under the Constitution of the United States*.

This does not mean that notes and promises (paper money) cannot be used. It means that no one can be forced to accept them in payment of debt. If he has lost confidence he can demand gold or silver coin. This would have prevented the inflation that is now threatening the very foundations of Western Civilization. This explains the split between the U.S. and France on the role of gold in the monetary system.

tion—if, indeed, it had that power at all.

Abraham Lincoln did issue greenbacks. But these were issued by the U.S. Treasury, and the people of the United States did not pay interest to a group of bankers.

A retired California judge wrote me this letter, and it was printed in MFG, Aug. 1, 1969:

“Any Federal Reserve note not convertible into gold is not and cannot be money of any value under the Constitution of the

United States. In fact, without question the Federal Reserve Act, passed by Congress about 56 years ago, was non-constitutional. Congress does not now, nor ever did have the authority under the Constitution, the power or right to delegate to the Federal System, or any system, person, or corporation, or any human entity, the right to coin, or print, or create money. The said document prevented even the states from coining money, and provides that states must pay their debts with gold and silver as legal tender in payment thereof. (Article I, Section 10). If the Constitution prevents the states from coining money, which right is given exclusively to Congress, most assuredly and definitely it does not, nor ever has, given the Federal Reserve, and international bankers the right to coin money, let alone print paper non-convertible notes to be used in the U.S.A. as legal tender in the payments of debts, public and private. Honest money is the lifeblood of any nation, and unless the U.S. gets back to a gold standard dollar, as provided by the Constitution, and repeals and sets aside the non-constitutional Reserve Act, and also the vicious Bretton-Woods agreement, authored and sponsored by two proven Russian spies, Dexter White and Alger Hiss . . . it would appear that the future of our great Constitutional Republic is dark.

Yours very truly,"

From Judge A. K. Wylie, retired, of Mountain View, California.

Of course, if Federal Reserve notes are illegal—then income tax is a thing of the past—and the I.R.S. is a dead duck. The results are an upheaval beyond comprehension. But that does not change the fact that the Federal Reserve is illegal—that the money is illegal—that it is fraud—and that it is a challenge to the Constitution of the United States—and the very life of the nation's blood as a free democracy.

WASHINGTON HAS THUS BECOME THE PINNACLE OF HYPOCRISY—AND THE ARTESIAN SOURCE OF LAWLESSNESS WHICH SPREADS FROM THE LAND.

I am sorry, dear friends—but all of the above is the absolute truth.

FALL, 1975



Landing of the Pilgrims

The breaking waves dashed high
On a stern and rock-bound coast,
And the woods against a stormy sky
Their giant branches tossed;
And the heavy night hung dark
The hills and water o'er,
When a band of exiles moored their bark
On the wild New England shore.

Not as the conqueror comes,
They, the true-hearted, came;
Not with the roll of stirring drums,
And the trumpet that sings of fame;
Not as the fleeing come,
In silence and in fear;
They shook the depths of the desert gloom
With their hymns of lofty cheer.

Amidst the storm they sang,
And the stars heard, and the sea!
And the sounding aisles of the dim woods
rang
To the anthem of the free.
The ocean eagle soared
From his nest by the white wave's foam,
And the rocking pines of the forest
roared,
This was their welcome home!

What sought they thus afar?
Bright jewels of the mine?
The wealth of the seas, the spoils of war?
They sought a faith's pure shrine;
Ay, call it holy ground,
The soil where first they trod!
They have left unstained what there they
found:
Freedom to worship God.

—FELICIA HEMANS